

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that House Bill 1001 be amended to read as follows:

- 1 Page 72, between lines 37 and 38, begin a new paragraph and insert:
- 2 "SECTION 87. IC 6-1.1-12.1-4.5, AS AMENDED BY
- 3 P.L.137-2007, SECTION 3, AND AS AMENDED BY P.L.219-2007,
- 4 SECTION 31, IS CORRECTED AND AMENDED TO READ AS
- 5 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
- 6 Sec. 4.5. (a) For purposes of this section, "personal property" means
- 7 personal property other than inventory (as defined in IC 6-1.1-3-11(a)).
- 8 (b) An applicant must provide a statement of benefits to the
- 9 designating body. The applicant must provide the completed statement
- 10 of benefits form to the designating body before the hearing specified in
- 11 section 2.5(c) of this chapter or before the installation of the new
- 12 manufacturing equipment, new research and development equipment,
- 13 new logistical distribution equipment, or new information technology
- 14 equipment for which the person desires to claim a deduction under this
- 15 chapter. The department of local government finance shall prescribe a
- 16 form for the statement of benefits. The statement of benefits must
- 17 include the following information:
- 18 (1) A description of the new manufacturing equipment, new
- 19 research and development equipment, new logistical distribution
- 20 equipment, or new information technology equipment that the
- 21 person proposes to acquire.
- 22 (2) With respect to:
- 23 (A) new manufacturing equipment not used to dispose of solid
- 24 waste or hazardous waste by converting the solid waste or

- 1 hazardous waste into energy or other useful products; and
- 2 (B) new research and development equipment, new logistical
- 3 distribution equipment, or new information technology
- 4 equipment;
- 5 an estimate of the number of individuals who will be employed or
- 6 whose employment will be retained by the person as a result of
- 7 the installation of the new manufacturing equipment, new
- 8 research and development equipment, new logistical distribution
- 9 equipment, or new information technology equipment and an
- 10 estimate of the annual salaries of these individuals.
- 11 (3) An estimate of the cost of the new manufacturing equipment,
- 12 new research and development equipment, new logistical
- 13 distribution equipment, or new information technology
- 14 equipment.
- 15 (4) With respect to new manufacturing equipment used to dispose
- 16 of solid waste or hazardous waste by converting the solid waste
- 17 or hazardous waste into energy or other useful products, an
- 18 estimate of the amount of solid waste or hazardous waste that will
- 19 be converted into energy or other useful products by the new
- 20 manufacturing equipment.
- 21 The statement of benefits may be incorporated in a designation
- 22 application. Notwithstanding any other law, a statement of benefits is
- 23 a public record that may be inspected and copied under IC 5-14-3-3.
- 24 (c) The designating body must review the statement of benefits
- 25 required under subsection (b). The designating body shall determine
- 26 whether an area should be designated an economic revitalization area
- 27 or whether the deduction shall be allowed, based on (and after it has
- 28 made) the following findings:
- 29 (1) Whether the estimate of the cost of the new manufacturing
- 30 equipment, new research and development equipment, new
- 31 logistical distribution equipment, or new information technology
- 32 equipment is reasonable for equipment of that type.
- 33 (2) With respect to:
- 34 (A) new manufacturing equipment not used to dispose of solid
- 35 waste or hazardous waste by converting the solid waste or
- 36 hazardous waste into energy or other useful products; and
- 37 (B) new research and development equipment, new logistical
- 38 distribution equipment, or new information technology
- 39 equipment;
- 40 whether the estimate of the number of individuals who will be
- 41 employed or whose employment will be retained can be
- 42 reasonably expected to result from the installation of the new
- 43 manufacturing equipment, new research and development
- 44 equipment, new logistical distribution equipment, or new
- 45 information technology equipment.
- 46 (3) Whether the estimate of the annual salaries of those

individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, whether the estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products can be reasonably expected to result from the installation of the new manufacturing equipment.

(5) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(6) Whether the totality of benefits is sufficient to justify the deduction.

The designating body may not designate an area an economic revitalization area or approve the deduction unless it makes the findings required by this subsection in the affirmative.

(d) Except as provided in subsection (h), and subject to ~~subsection (i) and section 15 of this chapter~~, an owner of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment whose statement of benefits is approved after June 30, 2000, is entitled to a deduction from the assessed value of that equipment for the number of years determined by the designating body under subsection (g). Except as provided in subsection (f) and in section 2(i)(3) of this chapter, and subject to ~~subsection (i) and section 15 of this chapter~~, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

(1) the assessed value of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment in the year of deduction under the appropriate table set forth in subsection (e); multiplied by

(2) the percentage prescribed in the appropriate table set forth in subsection (e).

(e) The percentage to be used in calculating the deduction under subsection (d) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

1	2nd and thereafter	0%
2	(2) For deductions allowed over a two (2) year period:	
3	YEAR OF DEDUCTION	PERCENTAGE
4	1st	100%
5	2nd	50%
6	3rd and thereafter	0%
7	(3) For deductions allowed over a three (3) year period:	
8	YEAR OF DEDUCTION	PERCENTAGE
9	1st	100%
10	2nd	66%
11	3rd	33%
12	4th and thereafter	0%
13	(4) For deductions allowed over a four (4) year period:	
14	YEAR OF DEDUCTION	PERCENTAGE
15	1st	100%
16	2nd	75%
17	3rd	50%
18	4th	25%
19	5th and thereafter	0%
20	(5) For deductions allowed over a five (5) year period:	
21	YEAR OF DEDUCTION	PERCENTAGE
22	1st	100%
23	2nd	80%
24	3rd	60%
25	4th	40%
26	5th	20%
27	6th and thereafter	0%
28	(6) For deductions allowed over a six (6) year period:	
29	YEAR OF DEDUCTION	PERCENTAGE
30	1st	100%
31	2nd	85%
32	3rd	66%
33	4th	50%
34	5th	34%
35	6th	25%
36	7th and thereafter	0%
37	(7) For deductions allowed over a seven (7) year period:	
38	YEAR OF DEDUCTION	PERCENTAGE
39	1st	100%
40	2nd	85%
41	3rd	71%
42	4th	57%
43	5th	43%
44	6th	29%
45	7th	14%
46	8th and thereafter	0%

(8) For deductions allowed over an eight (8) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	75%
4th	63%
5th	50%
6th	38%
7th	25%
8th	13%
9th and thereafter	0%

(9) For deductions allowed over a nine (9) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	77%
4th	66%
5th	55%
6th	44%
7th	33%
8th	22%
9th	11%
10th and thereafter	0%

(10) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	90%
3rd	80%
4th	70%
5th	60%
6th	50%
7th	40%
8th	30%
9th	20%
10th	10%
11th and thereafter	0%

(f) With respect to new manufacturing equipment and new research and development equipment installed before March 2, 2001, the deduction under this section is the amount that causes the net assessed value of the property after the application of the deduction under this section to equal the net assessed value after the application of the deduction under this section that results from computing:

- (1) the deduction under this section as in effect on March 1, 2001; and
- (2) the assessed value of the property under 50 IAC 4.2, as in effect on March 1, 2001, or, in the case of property subject to

IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

(g) For an economic revitalization area designated before July 1, 2000, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. For an economic revitalization area designated after June 30, 2000, the designating body shall determine the number of years the deduction is allowed. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; or

(2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the county auditor. A certified copy of the resolution shall be sent to the county auditor.

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(h) The owner of new manufacturing equipment that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

(1) is convicted of a *criminal* violation under IC 13, including IC 13-7-13-3 (repealed) or IC 13-7-13-4 (repealed); ~~or IC 13-30-6;~~ or

(2) is subject to an order or a consent decree with respect to property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

(i) For purposes of subsection (d), the assessed value of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:

(1) the assessed value of the equipment determined without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9; multiplied by

(2) the quotient of:

(A) the amount of the valuation limitation determined under 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's depreciable personal property in the taxing district; divided by

(B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9

1           determined:  
 2           (i) under the depreciation schedules in the rules of the  
 3           department of local government finance before any  
 4           adjustment for abnormal obsolescence; and  
 5           (ii) without regard to the valuation limitation in 50  
 6           IAC 4.2-4-9 or 50 IAC 5.1-6-9."

7           Page 245, between lines 32 and 33, begin a new paragraph and  
 8           insert:

9           "SECTION 245. [EFFECTIVE JANUARY 1, 2008  
 10          (RETROACTIVE)] **IC 6-1.1-12.1-4.5, as amended by this act,**  
 11          **applies to assessments occurring after December 31, 2007."**

12          Renumber all SECTIONS consecutively.  
             (Reference is to HB 1001 as printed January 17, 2008.)

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Representative Herrell